

1-1 By: Ellis S.B. No. 107
1-2 (In the Senate - Filed November 14, 2006; January 29, 2007,
1-3 read first time and referred to Committee on Finance; May 8, 2007,
1-4 reported favorably by the following vote: Yeas 12, Nays 0;
1-5 May 8, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to exemptions from the sales tax for certain school
1-9 supplies and instructional materials.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended
1-12 by adding Section 151.327 to read as follows:

1-13 Sec. 151.327. SCHOOL SUPPLIES, TEXTBOOKS, BOOKS, AND OTHER
1-14 INSTRUCTIONAL MATERIALS BEFORE START OF SCHOOL. (a) The sale or
1-15 storage, use, or other consumption of a school supply, including
1-16 textbooks, books, and other instructional materials, is exempted
1-17 from the taxes imposed by this chapter if the school supply is
1-18 purchased:

1-19 (1) for use by a student in a class in a public or
1-20 private elementary or secondary school;

1-21 (2) during the period described by Section
1-22 151.326(a)(2); and

1-23 (3) for a sales price of less than \$100 per item.

1-24 (b) For purposes of this exemption, "school supply" means:

1-25 (1) crayons;

1-26 (2) scissors;

1-27 (3) glue, paste, and glue sticks;

1-28 (4) pencils;

1-29 (5) pens;

1-30 (6) erasers;

1-31 (7) rulers;

1-32 (8) markers;

1-33 (9) highlighters;

1-34 (10) paper, including loose-leaf ruled notebook
1-35 paper, copy paper, graph paper, tracing paper, manila paper,
1-36 colored paper, poster board, and construction paper;

1-37 (11) writing tablets;

1-38 (12) spiral notebooks;

1-39 (13) bound composition notebooks;

1-40 (14) pocket folders;

1-41 (15) plastic folders;

1-42 (16) expandable portfolios;

1-43 (17) manila folders;

1-44 (18) three-ring binders that are three inches or less
1-45 in capacity;

1-46 (19) backpacks and zipper pencil bags;

1-47 (20) school supply boxes;

1-48 (21) clipboards;

1-49 (22) index cards;

1-50 (23) index card boxes;

1-51 (24) calculators;

1-52 (25) protractors;

1-53 (26) compasses;

1-54 (27) music notebooks;

1-55 (28) sketch or drawing pads;

1-56 (29) paintbrushes;

1-57 (30) watercolors;

1-58 (31) acrylic, tempera, or oil paints;

1-59 (32) tape, including masking tape and Scotch tape;

1-60 (33) clay and glazes;

1-61 (34) pencil sharpeners;

1-62 (35) thesauruses; and

1-63 (36) dictionaries.

1-64 (c) A retailer is not required to obtain an exemption

2-1 certificate stating that the school supplies are purchased for use
2-2 by a student in a class in a public or private elementary or
2-3 secondary school unless the supplies are purchased in a quantity
2-4 that indicates that the supplies are not purchased for use by a
2-5 student in a class in a public or private elementary or secondary
2-6 school.

2-7 SECTION 2. The change in law made by this Act does not
2-8 affect taxes imposed before the effective date of this Act, and the
2-9 law in effect before the effective date of this Act is continued in
2-10 effect for purposes of the liability for and collection of those
2-11 taxes.

2-12 SECTION 3. This Act takes effect July 1, 2007, if it
2-13 receives a vote of two-thirds of all the members elected to each
2-14 house, as provided by Section 39, Article III, Texas Constitution.
2-15 If this Act does not receive the vote necessary for effect on that
2-16 date, this Act takes effect October 1, 2007.

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